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Humane Act Linked Generals to Rewald

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What began as a sort of humanitarian act to help an alcoholic retired Air Force general eventually led a clutch of top military officials here to become victims in Ronald R. Rewald's allegedly fraudulent investment scheme.

The association of generals such as Lt. Gen. Arnold Braswell, commander in chief of the Pacific Air Forces, shows how Rewald was able to surround himself with influential Island people. Such associations added credibility as well as mystique to the now-defunct investment company, Bishop, Baldwin, Rewald, Dillingham & Wong.

Although there still is much to be learned about Rewald's activities and his claim that his company was associated in some way with the CIA, the "generals' connection" Rewald seems to be an outgrowth of an attempt by a group of men to help a retired general in trouble.

AND IN THE END, the generals ended up with egg on their faces as did 400 other investors

who lost money in the company.

The Star-Bulletin pieced together the story of Rewald's connection with top military officials here from both sources and individuals willing to be named.

Because of the embarrassment associated with losing large sums of money in what U.S. Judge Martin Pence has called a "Ponzi scheme," many people were reluctant to be identified publicly.

The incidents center on retired Gen. Hunter Harris, former Air Force commander in chief of the Pacific.

Harris was a distinguished Air Force officer who had been assigned to a number of key posts, including commander of the 92nd Combat Wing in Europe during World War II during which he flew 27 combat missions. He also was vice commander in chief of the Strategic Air Command at Offutt Air Force Base in Nebraska, the nerve center of the country's defenses.

Harris had numerous awards and commendations, including the Silver Star, Legion of Merit

and the Distinguished Flying Cross.

HE ALSO HAD a drinking problem.

After his retirement in 1967 Harris worked as a consultant for TWA and Northrop Corp. and eventually, in 1971, became a director of Hawaii National Bank, a position he held for nine years.

But Harris' drinking problem was well known in the military community and it got to the point where Harris "was becoming an embarrassment to the Air Force," sources said.

Harris was a free spender, attend social functions and liked polo. He eventually came into contact with Ronald Rewald.

Exactly when he met Rewald is not clear, but it apparently was shortly after Bishop, Baldwin, Rewald, Dillingham & Wong was formed in 1978. Harris, in an interview Thursday, said he met Rewald through someone at Hawaii National Bank. He would not identify the person.

Hawaii National Bank is where Rewald had established an account for money brought into the

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country through his company's investment savings accounts. It is this account that was supposed to have as much as \$17 million in investors' money which officials have learned is not there.

REWALD'S EXTRAVAGANT lifestyle, which cost about a quarter-million dollars a month, explains where some of the money went, according to Thomas Hayes, trustee for the now bankrupt company.

Hawaii National Bank was managed by Richard Spiker, who has been charged in a federal court suit with directing clients to Bishop, Baldwin, Rewald, Dillingham & Wong.

Harris turned over the management of his finances to Rewald, giving him power of attorney to some royalties for Korean oil reserves. Harris also let it be known that he was considering becoming a company consultant.

But Harris' drinking problem became a concern to Braswell and a handful of other generals and military men here, including retired Capt. Ned Avery, who became a consultant for Rewald.

They formed an "intervention committee" to seek help for Harris. They succeeded in getting him committed to the Orange Care Unit Hospital in California for treatment in 1981.

Harris told Braswell and the others that Rewald was handling his finances, which led to a meeting between the generals and Rewald.

IN RETROSPECT, some of the people involved now feel that Rewald conned them, but at the time, Rewald seemed sincere and concerned about Harris.

Rewald convinced the "intervention committee" that he was doing everything he could to take care of Harris' financial resources, which, as it turned out, were not that large. In fact, Rewald said, he had lent Harris as much as \$20,000 and was paying some of his outstanding bills.

Harris returned from California in late 1981 and continued his high-spending lifestyle and his drinking.

He had gone to Tripler Hospital several times for treatment, and had one kidney removed in Florida, sources said.

Getting Harris into the hospital was not always easy. At one point, Harris was "set up" to be arrested on base so that he would be forced to undergo treatment, sources said.

Court records show he was arrested on Nov. 23, 1981, for a number of violations at Pearl Harbor, but not for drunken driving.

Harris, to this day, thinks the committee was out to "put him down" and denies he is an alcoholic. He checked himself into a Texas hospital in June this year.